

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,  
WEDNESDAY, SEPTEMBER 6, 2006 at 3:30 P.M., BRINSON BOARD ROOM,  
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Gemskie, Vice Chairman Toro, Director Hart, Director Kasper, General Manager Welsh, Vice President and General Counsel Lacerte, and Recording Secretary Ambrosi. Director Cumbie and Mayor Goodwin-Nichols were absent.

A. **MEETING CALLED TO ORDER** at 3:30 p.m. by Chairman Gemskie.

B. **PLEDGE OF ALLEGIANCE**

The Board and staff recited the Pledge of Allegiance.

C. **AWARDS AND PRESENTATIONS**

1. **TOP 100 COMPANIES FOR WORKING FAMILIES RECOGNITION**

Wilbur Hill, Vice President of Human Resources presented the Board with the award which named KUA as one of the Orlando Sentinel's Top 100 Companies for Working Families for 2006.

2. **20-YEAR SERVICE AWARD, JOHN TALLEY, POWER PLANT SHIFT SUPERVISOR, POWER SUPPLY**

John was unable to attend the meeting. His supervisor will present John with his watch at a later date.

3. **EMPLOYEE OF THE MONTH FOR SEPTEMBER – BRENDA HEBERT, TELLER II, FINANCE & RISK MANAGEMENT**

Mr. Welsh read a letter from one of Brenda's co-workers who recognized Brenda as an employee who is always willing to go the extra mile and a great person to work with. Chairman Gemskie presented Brenda with a plaque, Director Toro gave her a check; Director Hart gave Brenda a certificate for a day off with pay and a certificate for a free tire rotation; Director Kasper presented her with a certificate for a good parking place, a meal from Sonny's and tickets to the Osceola Center for the Arts.

4. **40-YEAR SERVICE AWARD – ED CARTER, DISTRIBUTION SUPERINTENDENT/CONSTRUCTION, ENGINEERING & OPERATIONS**

Mr. Welsh introduced Ed Carter and recognized him for forty years of service to KUA. Mr. Welsh stated that it was a privilege to witness Ed in action, particularly during the hurricanes of 2004 in which he was the focal point of the coordination process following the storms. The Board personally congratulated Ed on his accomplishments.

The meeting was recessed at 3:49 p.m. for a 10 minute recess so that those in attendance could personally thank Ed. Meeting reconvened at 4:00 p.m.

D. **HEAR THE AUDIENCE** - none

E. **CONSENT AGENDA**

Mr. Welsh asked that item # E-6 be pulled from the consent agenda for a proposed revision.

**ACTION: Director Hart made a motion, seconded by Director Toro to approve items #1 through 5 and #7 and 8 on the consent agenda as written.  
MOTION CARRIED 4-0**

1. **APPROVAL OF MINUTES FROM REGULAR MEETING OF AUGUST 2, 2006**

2. **AWARD OF CONTRACT TO WORTH CONTRACTING FOR PAINTING OF CANE ISLAND UNIT 3 STRUCTURES, IFB #024-06**

Recommendation: Award the contract to Worth Contracting, Inc. for the painting of Cane Island Unit 3 structures as per the specifications for the not to exceed fee of \$392,600.

3. **APPROVAL OF CERTAIN DOCUMENTS RELATED TO STANTON ENERGY CENTER**

Recommendation: Approve the Joinder and Consent to Special Warranty Deed, Temporary Construction Easement Agreement and Pond, Drainage and Slope Easement Agreement between OUC, the City of Orlando and Orange County and authorize the Chairman and Secretary to execute the documents.

4. **PLEASANT HILL SUBSTATION; CONTROL AND RELAY PANELS, IFB # 034-06**

Recommendation: Approve award of Bid #034-06 to KEMCO Industries, Inc. for the lump sum price of \$310,395, contingent on negotiation of a satisfactory contract; and authorize the Chairman and the Secretary to execute the necessary contract documents.

5. **PLEASANT HILL SUBSTATION; 15KV METAL CLAD SWITCHGEAR, IFB #036-06**

Recommendation: Approve award of Bid #036-06 to WESCO for the lump sum price of \$580,560 contingent on negotiation of a satisfactory contract; and authorize the Chairman and the Secretary to execute the necessary contract documents.

7. **ANNUAL REQUIREMENT FOR 75 KVA PADMOUNT TRANSFORMERS, IFB #043-06**

Recommendation: Approve award of bid \$043-06 to Hughes Supply for the lump sum price of \$181,547.

8. **PURCHASE OF ANNUAL SOFTWARE MAINTENANCE WITH VENDOR COGSDALE**

Recommendation: Recommend the Board approve maintenance for Great Plains and Cogsdale Software and authorize the Board Chairman and Secretary to sign appropriate documents for the three year agreement.

6. **ANNUAL REQUIREMENT FOR JUNCTION BOXES AND PADMOUNT SWITCHES, IFB #038-06**

Ken Davis, Vice president of Engineering & Operations stated that there was some confusion with the specifications of item 2 portion of the bid, therefore, the specs would be revised and resubmitted. Staff recommends that Item 1 and Item 3 be submitted for approval.

**ACTION: Director Toro recommended approval of item #6 as amended, seconded by Director Hart.**

**MOTION CARRIED 4-0**

Recommendation: Award of bid #038-06 as follows: Item 1 to WESCO Distributors for \$32,040 and Item 3 to Gresco Utility Supply for \$77,068.

F. **PUBLIC HEARING** - none

G. **INFORMATIONAL PRESENTATION (REQUIRING NO ACTION)** - none

H. **OLD BUSINESS** - none

I. **NEW BUSINESS**

1. **PHASE 2 SCOPE OF WORK FOR NEPTUNE ROAD BY BLACK & VEATCH**

Ken Davis, Vice president of Engineering & Operations detailed phase 2 of the project. Director Hart asked if Black & Veatch's fee was included in the \$2.2 million cost. Mr. Davis confirmed that it was.

**ACTION:** Director Hart made a motion, seconded by Director Kasper to authorize Black & Veatch to proceed with the engineering work necessary for the Neptune Road Transmission Line Upgrade Phase 2 for the not-to-exceed amount of \$497,000.

**MOTION CARRIED 4-0**

**2. BUDGET AMENDMENT**

Joe Hostetler, Vice president of Finance & Risk Management detailed the need to amend the 2006 Budget for \$9 million because of higher fuel costs throughout the year than was originally anticipated. Additional expenses are recovered through COPA.

**ACTION:** Director Hart made a recommendation, seconded by Director Kasper to authorize the budget amendment in the amount of \$9 million related to increased fuel costs.

**MOTION CARRIED 4-0**

**J. STAFF REPORTS**

1. **MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS DEPARTMENT PROJECTS**
2. **MONTHLY PROGRESS REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**
3. **MONTHLY PROGRESS REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS**
4. **ELECTRIC SALES REPORT – JULY, 2006**

Joe Hostetler, Vice President of Finance and Risk Management presented the July financials to the Board. Chairman Gemskie recognized the fact that rates have gone down and commended Chris Gent for doing such a great job of promoting this fact to the public.

**5. RETIREMENT HEALTHCARE SAVINGS UPDATE**

Mr. Welsh advised the Board that there is no definitive IRS ruling on the tax implications of this program. Because of this risk, Staff is recommending not to proceed on this program due to the risks involved prior to an IRS ruling in the next year or two.

**6. PERFORMANCE AREA REPORT: RATE COMPETITIVENESS, JOE HOSTETLER, VICE PRESIDENT OF FINANCE & RISK MANAGEMENT**

Joe Hostetler, Vice president of Finance & Risk Management presented a report which addressed rates in general, including revenue allocation and the components of an electric bill. Director Hart asked how Fort Meade could have such a high rate and still be a part of the ARP. Mr. Hostetler stated that even though they get the same fuel rate as all participants in the ARP, their rates are still determined by a Board of Directors.

**K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS**

Mr. Welsh reminded the Board of the site tour of E&O substations will be held on November 2 at 9:00 a.m. Board photographs will be taken after the October 4, 2006 meeting. He also invited the Board to both the Quarter Century and EOC dinners. There will also be an operations demonstration on October 10 at KUA.

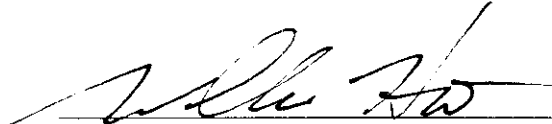
Director Toro congratulated the Vice presidents for excellent presentations over the past six months.

Chairman Gemskie shared a story of a local waitress who is having difficulty paying her electric bill, but spoke very kindly about KUA and the customer service staff.

**L. ADJOURNEMENT**

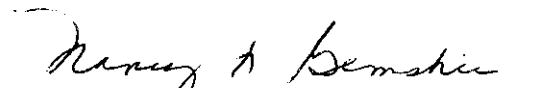
Meeting adjourned at 4:45 p.m.

September 6, 2006  
2319



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Secretary



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Chairman